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Chief Clerk of the House

FILED MAR 01 2007

By: Darren Crisum

H.B. No. 2277

A BILL TO BE ENTITLED

AN ACT

relating to delivery of certain unclaimed money to a rural
scholarship fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 74.3011(g), Property Code, is amended to
read as follows:

(g) ~~[During a state fiscal year, the total amount of money
that may be transferred by all local telephone exchange companies
under this section may not exceed \$400,000.]~~ The comptroller shall
keep a record of the total amount of money transferred annually.
~~[When the total amount of money transferred during a state fiscal
year equals the amount allowed by this subsection, the comptroller
shall notify each local telephone exchange company that the company
may not transfer any additional money to the company's scholarship
fund during the remainder of that state fiscal year.]~~

SECTION 2. This Act takes effect September 1, 2007.

HOUSE COMMITTEE REPORT

1st Printing

07 APR 24 AM 1:29
HOUSE OF REPRESENTATIVES

By: Chisum, Keffer, Flynn, Homer, Zerwas,
et al.

H.B. No. 2277

Substitute the following for H.B. No. 2277:

By: Darby

C.S.H.B. No. 2277

A BILL TO BE ENTITLED

AN ACT

relating to delivery of certain unclaimed money to a rural scholarship fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 74.3011(g), Property Code, is amended to read as follows:

(g) During a state fiscal year, the total amount of money that may be transferred by all local telephone exchange companies under this section may not exceed \$800,000 [~~\$400,000~~]. The comptroller shall keep a record of the total amount of money transferred annually. When the total amount of money transferred during a state fiscal year equals the amount allowed by this subsection, the comptroller shall notify each local telephone exchange company that the company may not transfer any additional money to the company's scholarship fund during the remainder of that state fiscal year.

SECTION 2. This Act takes effect September 1, 2007.

COMMITTEE REPORT

The Honorable Tom Craddick
Speaker of the House of Representatives

4/17/07
(date)

Sir:

We, your **COMMITTEE ON BUSINESS AND INDUSTRY**
to whom was referred HB 2277 have had the same under consideration and beg to report
back with the recommendation that it

- ☐ do pass, without amendment.
☐ do pass, with amendment(s).
☒ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
☒ yes ☐ no A fiscal note was requested.
☐ yes ☒ no A criminal justice policy impact statement was requested.
☐ yes ☒ no An equalized educational funding impact statement was requested.
☐ yes ☒ no An actuarial analysis was requested.
☐ yes ☒ no A water development policy impact statement was requested.
☐ yes ☒ no A tax equity note was requested.
☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor _____

Joint Sponsors: _____

Co-Sponsors: _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Giddings, Chair	X			
Elkins, Vice-chair	X			
Darby, CBO	X			
Bailey				X
Bohac	X			
Castro	X			
Martinez	X			
Solomons	X			
Zedler	X			

Total

8 aye
0 nay
0 present, not voting
1 absent

Tom Craddick
CHAIR

BILL ANALYSIS

C.S.H.B. 2277
By: Chisum
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 1977, the Texas Legislature created the Rural Scholarship Fund to allow the awarding of cash scholarships to those rural students desiring to pursue their post-secondary education or vocational training. It is not funded by state taxes, fees, or state or local surcharges, but is funded by abandoned and unclaimed customer funds held by Texas' 50-plus rural telephone companies. Such static and unreliable abandoned funds were previously turned over to the state under escheat laws. The source of the funds is unstable and may vary dramatically from company to company and from year to year. Original legislation "capped" the statewide aggregated funds for all companies at \$400,000 for such scholarships.

C.S.H.B. 2277 increases the total amount of money that may be transferred (cap) to \$800,000 in order to allow more of the unclaimed and abandoned funds left with the rural telephone companies to be used solely for such scholarships.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2277 amends the Property Code to prohibit the total amount of money that is authorized to be transferred to scholarship fund by certain local telephone exchange companies from exceeding \$800,000 rather than \$400,000, during the state fiscal year.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original by restoring a cap to the amount of money that can be transferred to the scholarship fund each year and replacing the cap of \$400,000 with a cap of \$800,000.

SUMMARY OF COMMITTEE ACTION

HB 2277

March 27, 2007 2:00 PM or upon final adjourn./recess

Considered in public hearing

Testimony taken in committee (See attached witness list.)

Left pending in committee

April 17, 2007 2:00 PM or upon final adjourn./recess

Considered in public hearing

Committee substitute considered in committee

Reported favorably as substituted

1

2

WITNESS LIST

HB 2277
HOUSE COMMITTEE REPORT
Business & Industry Committee

March 27, 2007 - 2:00 PM or upon final adjourn./recess

For: Gray, CPA, Weldon R. (Texas Statewide Telephone Cooperative, Inc and
Eastex Telephone Cooperative, Inc)

Registering, but not testifying:

For: Hughes, Cammie (TSTCI - Texas Statewide Telephone Cooperative)
Lawson, Richard (Verizon)

x

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 20, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2277 by Chisum (Relating to delivery of certain unclaimed money to a rural scholarship fund.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2277, Committee Report 1st House, Substituted: a negative impact of (\$1,600,000) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$800,000)
2009	(\$800,000)
2010	(\$800,000)
2011	(\$800,000)
2012	(\$800,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2008	(\$800,000)
2009	(\$800,000)
2010	(\$800,000)
2011	(\$800,000)
2012	(\$800,000)

Fiscal Analysis

The bill would amend Section 74 of the Property Code to raise the cap on the amount of money that could be transferred by all local telephone exchange companies to a rural scholarship fund to \$800,000.

The bill would take effect September 1, 2007.

Methodology

According to the Comptroller of Public Accounts, the bill increases the cap on amounts transferred to rural scholarship programs from \$400,000 to \$800,000 and, in doing so, lifts the corresponding cap on the amount that could be transferred to the urban scholarship programs as well. The Comptroller states that with the cap increases, all local telephone exchanges could increase scholarship money and no longer remit these unclaimed funds to the Comptroller for deposit to the General Revenue Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, SD, EB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 26, 2007

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2277 by Chisum (Relating to delivery of certain unclaimed money to a rural scholarship fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2277, As Introduced: a negative impact of (\$3,200,000) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$1,500,000)
2009	(\$1,700,000)
2010	(\$1,700,000)
2011	(\$1,700,000)
2012	(\$1,700,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2008	(\$1,500,000)
2009	(\$1,700,000)
2010	(\$1,700,000)
2011	(\$1,700,000)
2012	(\$1,700,000)

Fiscal Analysis

The bill would amend Section 74 of the Property Code to remove the \$400,000 cap on the amount of money that could be transferred by all local telephone exchange companies to a rural scholarship fund.

The bill would take effect September 1, 2007.

Methodology

According to the Comptroller of Public Accounts, the provisions of the bill lift the \$400,000 cap on transferred amounts to rural scholarship programs and, in doing so, lift the corresponding cap on the amount that could be transferred to the urban scholarship programs as well. The Comptroller states that with the cap removal, all local telephone exchanges could increase scholarship money and no longer remit these unclaimed funds to the Comptroller for deposit to the General Revenue Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, SD, EB

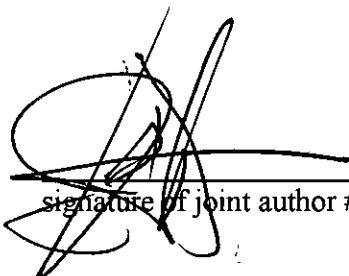
for chief clerk use only

Bill or Resolution Number: HB 2277

JOINT AUTHOR AUTHORIZATION

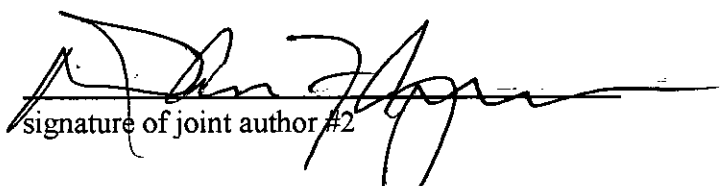
As primary author of HB 2277 I hereby authorize the following joint author(s):
(bill or resolution #)

Jim Ketfer
printed name of joint author #1


signature of joint author #1

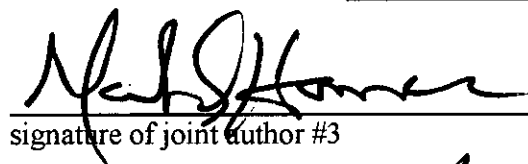
MAR - 8 2007

DAN FLYNN
printed name of joint author #2



signature of joint author #2

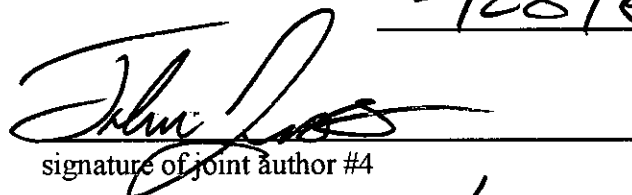
MAR 27 2007

MARK HOMER
printed name of joint author #3



signature of joint author #3

3/28/07


printed name of joint author #4


signature of joint author #4

4/12/07


signature of primary author

3/01/2007
date

80TH LEGISLATURE**COAUTHOR AUTHORIZATION**

(please request your coauthors to sign this form
in lieu of the front or the back of the original bill)

Bill or Resolution Number: HB 2277

Warren Chisum
signature of primary author

Warren Chisum
printed name of primary author

3/26/2007
Date

PERMISSION TO SIGN HB 2277 HAS BEEN GIVEN TO (check only one of the following):
(bill or resolution #)

☒ ALL REPRESENTATIVES

☐ THE FOLLOWING REPRESENTATIVE(S): _____

I authorize the Chief Clerk to include my name as a coauthor of the legislation indicated above:

A2100 Allen	Date	A2450 Cook, Byron	Date	A2795 Farabee	Date
A2125 Alonzo	Date	A2568 Cook, Robby	Date	A2820 Farias	Date
A2150 Anchia	Date	A2595 Corte	Date	A2810 Farrar	Date
A2155 Anderson	Date	A2605 Crabb	Date	A2800 Flores	Date
A2145 Aycock	Date	A2610 Craddick	Date	A2850 Allen	Date
A2160 Bailey	Date	A2615 Creighton	Date	A2860 Frost	Date
A2205 Berman	Date	A2640 Crownover	Date	A2920 Gallego	Date
A2230 Bohac	Date	A2645 Darby	Date	A2915 Garcia	Date
A2240 Bolton	Date	A2620 Davis, John	Date	A2960 Gattis	Date
A2250 Bonnen	Date	A2625 Davis, Yvonne	Date	A2945 Geren	Date
A2280 Branch	Date	A2680 Delisi	Date	A2935 Giddings	Date
A2265 Brown, Betty	Date	A2690 Deshotel	Date	A2910 Gonzales	Date
A2270 Brown, Fred	Date	A2705 Driver	Date	A4660 Gonzalez Tourcilles	Date
A2255 Burnam	Date	A2665 Dukes	Date	A2990 Goolsby	Date
A2295 Callegari	Date	A2660 Dunnam	Date	A3045 Guillen	Date
A2495 Castro	Date	A2650 Dutton	Date	A3035 Haggerty	Date
A2585 Chavez	Date	A2775 Eiland	Date	A3650 Hamilton	Date
A2480 Chisum	Date	A2780 Eissler	Date	A3100 Hancock	Date
A2525 Christian	Date	A2785 Elkins	Date	A3160 Hardcastle	Date
A2425 Cohen	Date	A2805 England	Date	A3150 Harless	Date
A2435 Coleman	Date	A2800 Escobar	Date	A3165 Harper-Brown	Date

A3170 Hartnett	Date	A3730 Mallory Caraway	Date	A4200 Puente	Date
✓ A3175 Heflin	Date	A3780 Martinez	Date	A4230 Quintanilla	Date
A3155 Hernandez	Date	A2835 Martinez Fischer	Date	A4215 Raymond	Date
A3140 Herrero	Date	A3665 McCall	Date	A4220 Riddle	Date
<i>[Signature]</i> 3/26/07 A4250 Hildebran	Date	A3650 McClendon	Date	A4250 Ritter	Date
A3275 Hill	Date	<i>[Signature]</i> 3/26/07 A3845 McReynolds	Date	A4270 Rodriguez	Date
A3305 Hochberg	Date	A3830 Menendez	Date	<i>[Signature]</i> 4/19 A4350 Rose	Date
A3290 Hodge	Date	A3840 Merritt	Date	A4525 Smith, Todd	Date
✓ A3325 Homer	Date	A3825 Miles	Date	A4540 Smith, Wayne	Date
<i>[Signature]</i> 2-26-07 A3330 Hopson	Date	A3835 Miller	Date	✓ A4530 Smithee	Date
A3315 Howard, Charlie	Date	A3860 Moreno	Date	A4505 Solomons	Date
A3310 Howard, Donna	Date	✓ A3870 Morrison	Date	A4545 Strama	Date
<i>[Signature]</i> 3-26-07 A3340 Hughes	Date	A3865 Mowery	Date	A4565 Straus	Date
A3375 Isett	Date	A3875 Murphy	Date	<i>[Signature]</i> 3/26/07 A4570 Swinford	Date
<i>[Signature]</i> 3-26-07 A3850 Jackson	Date	A3885 Naistat	Date	A4585 Talton	Date
<i>[Signature]</i> 3-26-07 A3405 Jones	Date	A3900 Noriega	Date	<i>[Signature]</i> 3/26/07 A4600 Taylor	Date
A3480 Kefauver	Date	A3880 Oliveira	Date	A4630 Thompson	Date
<i>[Signature]</i> 3-26-06 A3470 King, Phil	Date	A3886 Olivo	Date	A4650 Truitt	Date
<i>[Signature]</i> 3/26/07 A3460 King, Susan	Date	A3930 Orr	Date	A4685 Turner	Date
A3465 King, Tracy	Date	A3940 Ortiz, Jr.	Date	A4700 Van Arsdale	Date
<i>[Signature]</i> 3-26-07 A3495 Kolkhorst	Date	<i>[Signature]</i> 3/26/07 A3945 Otto	Date	A4780 Vaught	Date
A3485 Krusce	Date	A4090 Parker	Date	A4725 Veasey	Date
<i>[Signature]</i> 3/26/07 A3450 Kuempel	Date	A4050 Patrick	Date	A4800 Villarreal	Date
A3520 Latham	Date	A4100 Paxton	Date	A4900 Vo	Date
A3540 Laubenberg	Date	A4140 Pena	Date	A4995 West	Date
A3560 Leibowitz	Date	A3240 Pierson	Date	A5005 Woolley	Date
A3610 Lucio, III	Date	<i>[Signature]</i> 3/26/07 A4160 Phillips	Date	A5150 Zedler	Date
A3705 Macias	Date	A4180 Pickett	Date	A5170 Zerwas	Date
A3715 Madden	Date	A4185 Pitts	Date	District 29	Date

H.B. No. 2277

By Darren C. Resum

A BILL TO BE ENTITLED
AN ACT

relating to delivery of certain unclaimed money to a rural scholarship fund.

MAR 01 2007

Filed with the Chief Clerk

MAR 07 2007

Read first time and referred to Committee on Business and Industry

APR 17 2007

Reported favorably (~~as amended~~)
(as substituted)

APR 24 2007

Sent to Committee on (Calendars)
(~~Local & Consent Calendars~~)

Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend)
by a vote of _____ yeas, _____ nays, _____ present, not voting

Read third time (amended); finally passed (failed to pass) by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

Engrossed

Sent to Senate

CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

~~MAY 08 2007~~

~~HB 2277~~ LAID ON TABLE
SUBJECT TO CALL

Received from the House

Read and referred to Committee on _____

Reported favorably _____

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)
(_____ yeas, _____ nays)

Read second time, _____, and passed to third reading by (unanimous consent)
(a viva voce vote)
(_____ yeas, _____ nays)

Senate and Constitutional 3 Day Rules suspended by a vote of _____ yeas, _____ nays

Read third time, _____, and passed by a (viva voce vote)
(_____ yeas, _____ nays)

Returned to the House

SECRETARY OF THE SENATE

OTHER SENATE ACTION:

_____ Returned from the Senate (as substituted)
(with amendments)

_____ House concurred in Senate amendments by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ House refused to concur in Senate amendments and requested the appointment of a conference committee
by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ House conferees appointed: _____, Chair; _____,

_____ Senate granted House request. Senate conferees appointed: _____, Chair;

_____ Conference committee report adopted (rejected) by the House by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ Conference committee report adopted (rejected) by the Senate by a (viva voce vote)
(record vote of _____ yeas, _____ nays)

07 APR 24 AM 1:29
HOUSE OF REPRESENTATIVES